

CalPERS Health Rates Webinar

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Call Operator: _____
Moderator: Bob Burton
Guests: Susan Vogt and Terese Odette

Audio Transcript

Bob Burton:

Our next presenters are Susan Vogt and Terese Odette. They represent Blue Shield of California. Welcome.

Susan Vogt:

Thank you for the opportunity to share the Blue Shield HMO plans and plan changes for 2012.

For those of you who are not familiar with Blue Shield, I would like to share a few things that set us apart. We are California-based with local member support services. We have one of the largest networks of hospitals, physicians, and specialists in the state, which is great for our members because it means your doctor is probably already in our network.

Blue Shield donates millions of dollars to the Blue Shield Foundation to help improve the health status of those who really need it throughout California.

Now let's talk about our two health plans. Blue Shield offers two HMO plan options to CalPERS members. As well as an Exclusive Provider Organization, EPO, Plan that is offered in Mendocino, Colusa, and Sierra Counties. If you're looking for a health plan that is predictable, meaning you know what your copays will be for the services you need, you might want to consider one of Blue Shield's HMO plans. Our plans offer low copayments, virtually no claim forms and no deductibles that need to be met. Access Plus HMO is our full network plan that provides members with a choice of over 11,000 primary care physicians, 300 hospitals, and access to 21,000 specialists throughout the state. Plus, comprehensive benefits and programs to meet your individual needs.

Our second plan available to CalPERS members is our Net Value Plan. The Net Value Plan offers all the same exact benefits as the Access Plus. All of them. The only difference is the size of the network. By consolidating care to a smaller high quality set of medical groups we can get better rates and, in turn, pass those savings on to our members in the form of lower monthly premiums. Choosing Net Value can save an average family hundreds of dollars each month, which means more money in your pocket to use any way that you like.

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Now then let's walk through our plan benefits for the Access Plus and the Net Value.

HMO plans are one of the most affordable healthcare choices that you can make. Plus, the cost structure is easy to remember and keep track of. With a Blue Shield HMO plan there is a zero deductible to be met. Many benefits have zero copays associated with their use, including preventative care, immunizations, hospital in-patient and out-patient ambulatory surgery centers. All these benefits are covered as part of your premium cost. \$15.00 is the cost for a visit to your physician's office, or the cost to visit an urgent care center when your doctor is not available.

Blue Shield of California HMO's give you more choice with a self-referable benefit. Members are able to self-refer themselves to any specialist within their network for a \$30.00 copay. You can call any specialist in your network directly without having to wait for a referral from your primary care physician.

Both Access Plus and Net Value offer the exact same benefits to members, giving them full coverage healthcare with low out-of-pocket costs.

To illustrate the HMO process and give you a better idea of our actual costs, here is an example of a Blue Shield HMO member who requires medical care:

Mary has a medical issue and goes to visit her primary care physician, Dr. Jones, and she does pay the \$15.00 copay. Dr. Jones sends Mary to a specialist and she is charged the \$15.00 copay. The specialist orders some tests for Mary at a zero copay. The specialist recommends surgery. There we go again, zero copay. Mary recovers in the hospital for five days, zero copay. Mary needs prescription medication, \$5.00 generic copay. Mary has a follow-up visit with her doctor and just pays the \$15.00 copay. So, as you can see, the total cost for doctor and hospital visits, tests, surgery and medication only cost Mary \$50.00. It really is that simple and really that easy. Access Plus and Net Value both offer the same member benefits as I just described.

While the majority of your benefits will remain the same for 2012, we do have a few changes we'd like to share with you.

Net Value is our select network plan that is available to over 85% of CalPERS members, and continues to expand into new counties every year. We're excited in 2012 we will be expanding into Contra Costa County in partnership with the John Muir Medical Group; one of the premier IPA groups in Northern California. For those Access Plus members who are currently part of the John Muir network by choosing to move to the Net Value Plan, you can keep your same doctor and pay lower out of pocket costs every month. If you're interested in saving money on your health insurance, you should consider making this change during open enrollment.

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Something I'm very excited also about is in Orange County we are pleased to announce per the Department of Managed Healthcare Regulatory Approval, our exclusive provider network arrangement with St. Joseph Health System. If you are a Net Value member, you will want to make sure your physician is part of the St. Joseph Health System, or you will need to select a St. Joseph's primary care physician to continue as a Net Value Plan member in Orange County.

Access Plus members who are currently with St. Joseph Health System could stay with their current doctor and save money by changing to the Net Value Plan. Members who do not wish to receive services from St. Joseph Health System, have the option of selecting cover to the Access Plus Plan. One additional change to our Net Value service area is that Net Value will no longer be offered in Santa Barbara County. As of January 1, 2012, Access Plus will be the exclusive plan available in Santa Barbara County.

To encourage the use of lower cost and equally effective generic medication the following pharmacy benefit changes will be implemented in 2012. Prescription copays for brand name medications will increase by \$5.00 for all Blue Shield HMO plans. Retail pharmacy prescriptions for non-maintenance medication for the first three months will be: \$5.00 preferred for generic, \$20.00 for formulary or preferred brand name medications, \$50.00 for non-formulary or non-preferred brand name medications. Copays for a 90-day supply of medications acquired through our mail service, PrimeMail, are equal to two 30-day retail prescription copays for all Blue Shield HMO plans. This means you will receive 90-days of medication at a 30% savings for just purchasing the same amount of medication through a retail location. Your costs for a 90-day supply of medication will be: \$10.00 preferred generic, 40 formulary or preferred brand name medication, and \$100 for non-formulary or non-preferred brand name medications. For Blue Shield 65 plus HMO members, a \$100 injectable and specialty drug copay applies.

The following changes do not apply to Blue Shield 65 plus HMO members. Non-formulary medication and lifestyle enhancement medications do not accumulate towards the \$1,000 mail service out-of-pocket maximum. If a member chooses to purchase a brand name medication, they will be responsible to pay the cost difference between a brand and generic, plus the generic copay when an FDA approved generic equivalent is available. Exceptions for medical necessity are available through prior authorization. If approved, the applicable brand copay applies. It does not apply to our lifestyle enhancement drugs, which remain 50% of the cost of the prescription.

As part of Blue Shield's commitment to keeping healthcare affordable, we are introducing a network change for knee and hip replacement. Members will now be required to utilize one of 16 high quality cost effective Blue Distinction Centers throughout the state in order to receive full coverage. Blue Distinction Centers

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are hospitals within Blue Shield's network that are recognized nationally for distinguished clinical care and processes by the Blue Cross and Blue Shield companies. By utilizing a limited network of the high quality facilities, Blue Shield is able to provide better pricing, and this helps keep healthcare costs down, which in turn helps reduce the costs of premiums paid by our members.

For a member to continue to receive knee and hip replacement benefits for zero out-of-pocket cost, physicians will be required to refer members to receive covered services from providers in the plan's knee and hip replacement network. If physicians or members choose to use a facility outside of the preferred knee and hip network, well then the member will be responsible for 100% of the costs. In order to receive fully covered benefits for knee and hip surgery, members will need to be referred by their personal physician to one of the network's 16 facilities listed on the slide. If a facility is located more than 50 miles from a member's home, travel benefits for transportation, hotel and meals will be provided to the member and a travel companion.

So, in addition to the benefits that we've just covered, Blue Shield Access Plus and Net Value HMO's also offer a large variety of health and wellness programs, services and resources at no additional costs. Let's talk about some of these now. Urgent and emergency care wherever you go in the world. You are covered when you travel anywhere in the United States and over 200 countries worldwide with the Blue Card network of providers. Just show your Blue Shield ID card and you only pay your copayment at the time of care. To locate providers outside of California call the 1-800 number on the back of your member ID card.

Also, we have a great plan added design, Away From Home Care. Away From Home Care covers you and your family if you're living outside of California for more than 90-days. This is a great benefit to dependents living away from home, such as students, long term travelers, or families living apart. There are 33 states that participate in the away from home care program. We're very proud of that.

You can live healthier and earn money with our Healthy Lifestyle Rewards Program. By enrolling in the Healthy Lifestyle Rewards Program you can improve your health and earn up to \$200 per year, plus each member of the family over the age of 18 can earn \$200. If you have two children over 18 and a spouse or partner, you can actually earn \$800 each year. They are free health and wellness programs and tips that can benefit everyone, including healthy eating, exercise, stress reduction, smoking cessation, and weight loss.

To share with you today information about the Blue Shield of California 65 Plus Plan I would like to introduce Terese Odette. Thank you.

Terese Odette:

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Thanks, Susan. Let's review our group Medicare Advantage Prescription Drug Plan, Blue Shield 65 Plus, and what's happening for 2012.

Blue Shield 65 Plus is a Medicare approved HMO plan that includes Medicare Parts A, B and D offering retirees medical and prescription drug coverage all in one plan. There's no need to enroll in a separate Part D plan. CalPERS Medicare eligible retirees must meet all eligibility requirements to enroll, which are covered in a summary of benefits and evidence of coverage.

This plan offers many valuable benefits and services including little paperwork to complete, one ID card to access healthcare services and fill prescriptions, a trusted network of providers and additional health and wellness support, and a local California-based Medicare member services team trained to answer member questions.

Beginning January 1, 2012, CalPERS will be expanding Blue Shield 65 Plus coverage to include all or portions of four new counties: Imperial, Nevada, San Joaquin, and San Francisco. Retirees living in a partial county should refer to the 2012 summary of benefits to confirm whether their zip code is in the plan service area.

Medicare eligible retirees residing in these service areas who are currently enrolled in Blue Shield Access Plus HMO, or a Net Value HMO supplement to original Medicare must enroll in Blue Shield 65 Plus for a January 1, 2012 effective date if they want to remain with Blue Shield. These retirees will have an opportunity to opt out of Blue Shield 65 Plus and will receive notification from Blue Shield in September. If opting out they may select either Kaiser Senior Advantage or Anthem Blue Cross PPO offered through CalPERS, and return and Opt Out Form to Blue Shield.

Medicare eligible retirees who do not reside in a Blue Shield 65 Plus service area may continue their Blue Shield Access Plus HMO or Net Value HMO supplement to original Medicare coverage.

For 2012 there will be no changes to the Blue Shield 65 Plus medical benefit. Benefit highlights include: a \$10.00 office visit copay for physician services, both primary care and specialists, zero copay for basic diagnostic testing, which includes lab and x-ray, zero copay per admission or inpatient hospital care. There will be changes in 2012 to the outpatient Part D prescription drug copays. Copays will be increasing for the following drug tiers: preferred brand drugs, non-preferred brand drugs, injectable drugs, and specialty drugs.

For example, a 30-day supply obtained at a network preferred or other network pharmacy will be increasing by \$5.00. This is just a brief summary of what I provided here. For a detailed description of medical and pharmacy benefits and

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costs, as well as pharmacy tier structure, please reference the summary of benefits or evidence of coverage.

In addition to all of the programs and resources that we talked about today, we offer three services that are exclusive to CalPERS members. A dedicated member services phone line. Access Plus and Net Value HMO members can call toll free 800-334-5847, 7:00 a.m. to 7:00 p.m. Monday through Friday to speak with a Blue Shield representative.

A dedicated CalPERS website. This is a great resource for plan and program information and support available 24/7 when you need it. A bimonthly newsletter. Members can sign up for Shield Connect. This newsletter provides quick tips and information on plan benefits, health and wellness, recipes and seasonal topics of interest such as traveling with pets or stress-free holidays.

We thank you for your continued support and look forward to providing you with outstanding service during the coming year.

Bob Burton:

Terese, thank you. And, thank you, Susan.

Here now is Polling Question Number Four: Blue Shield of California Access Plus and Net Value Plans have fixed costs for standard care services. We showed you an example of a member named Mary who went to her doctor, was referred to a specialist, had diagnostic testing, was hospitalized, filled a prescription and returned to her doctor for a follow-up visit. In the Blue Shield example Mary's total out-of-pocket costs for all these services was \$150, \$400 after deductible, \$50, or \$1,800. And the answer is: \$50.00.

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